
**Consumer Protection & Business
Committee**

ESB 5206

Brief Description: Concerning cannabis retailer advertising.

Sponsors: Senators MacEwen, Gildon and Stanford.

Brief Summary of Engrossed Bill

- Modifies restrictions on cannabis advertising including: (1) increasing the allowed number of signs at retail outlets from two to four; (2) excluding trade name signs from restrictions, subject to local ordinances and enforcement; (3) excluding signs less than 512 square inches with certain information from restrictions; and (4) making additional changes.

Hearing Date: 3/26/25

Staff: Peter Clodfelter (786-7127).

Background:

Except for the use of billboards, licensed cannabis retailers may not display signage outside of the licensed premises, other than two signs identifying the retail outlet by the licensee's business or trade name, stating the location of the business, and identifying the nature of the business. Each sign must be no larger than 1,600 square inches and be permanently affixed to a building or other structure.

Advertising signs within the premises of a cannabis retail outlet that are visible to the public from outside the premises must meet the signage regulations and requirements applicable to outdoor signs. However, merchandising within a retail outlet is not advertising for purposes of the advertising restrictions.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

All signs, billboards, or other print advertising for cannabis businesses or cannabis products must contain text stating that the products may be purchased or possessed only by persons 21 years of age or older.

A cannabis licensee may not take any action, directly or indirectly, to target youth in the advertising, promotion, or marketing of cannabis and cannabis products, or take any action the primary purpose of which is to initiate, maintain, or increase the incidence of youth use of cannabis or cannabis products.

A cannabis licensee also may not use objects such as toys or inflatables, movie or cartoon characters, or any other depiction or image likely to be appealing to youth, where the objects, images, or depictions indicate an intent to cause youth to become interested in the purchase or consumption of cannabis products.

Outdoor advertising is prohibited in certain areas including on signs and placards in arenas, stadiums, shopping malls, fairs that receive state allocations, farmers markets, and video game arcades, whether any of these locations are open air or enclosed, but not including any sign or placard located in an adult-only facility.

The restrictions on outdoor advertising do not apply to an outdoor advertisement at the site of an event to be held at an adult-only facility that is placed at the site during the period the facility or enclosed area constitutes an adult only facility. However, the outdoor advertisement may not be placed at the site more than 14 days before the event, and the outdoor advertisement may not advertise any cannabis product other than by using a brand name to identify the event.

Cities, towns, or counties may adopt rules of outdoor advertising by licensed cannabis retailers that are more restrictive than the advertising restrictions imposed under Washington law. Enforcement of restrictions on cannabis advertising by a local government is the responsibility of the local government.

Summary of Bill:

The restrictions on licensed cannabis retailers' use of signage is modified as follows:

- It is specified that it is cannabis-related advertising signage on the licensed premises that is restricted, instead of signage outside of the licensed premises.
- The number of authorized advertisement signs on the licensed premises is changed from two signs to four signs, which must be affixed on the building of the licensed location or hanging in the window of the licensed location, instead of being permanently affixed to a building or other structure.
- It is specified that any advertising signs that are visible to the public from the public right-of-way, whether on the building or through a window of the building, will be considered advertising for purposes of the restrictions.
- It is specified that signs that are less than 512 square inches are not considered advertising

if the sign does not include any brand names, trade names, or images of any cannabis product and only indicates information like hours of operation, business is open or closed, the presence of an automated teller machine, the word "welcome," required signs or notices, and community notices.

- Cannabis businesses are authorized to use trade name signs that are separate from and not counted toward the four authorized advertisement signs.
- It is specified that trade name signs may only reflect the trade name of the licensed business as it appears on the license and may not contain cannabis products or product brand names.
- Trade name signs must comply with local regulations related to the size and number of signs for the city, town, or county in which the cannabis retailer is located.
- It is specified that enforcement of the size and number of trade name signs and billboards is the responsibility of the city, town, or county in which the cannabis retailer is located.
- All signage, advertising, and billboard content by cannabis businesses is prohibited if the content portrays alcohol or its use, tobacco or nicotine or its use, any association with a motor vehicle, or operation of a motor vehicle.
- It is specified that nothing in the restrictions prohibits the use of other signage that does not represent cannabis or cannabis products, the business trade name, nature of the business, or contains only general information not related to the products or services of the cannabis business.
- It is specified that advertising signs within the premises of a retail cannabis business outlet that are "clearly visible," rather than only "visible," to the public from outside the premises must meet the signage regulations and requirements applicable to outdoor signs.

The following advertising restrictions are added to all cannabis advertisements:

- Businesses licensed by the Liquor and Cannabis Board (LCB) to sell vapor products, cigarettes, or tobacco products are prohibited from engaging in cannabis-related advertising.
- It is specified that, except for trade name signs, it is any advertisement for a cannabis business regardless of the form of medium used, and not only signs, billboards, or other print advertising by cannabis businesses, that must contain text that only persons 21 years of age or older may purchase or possess cannabis products. The text must be of a reasonable size to be easily read by consumers.
- The exception to advertising restrictions for an outdoor advertisement at the site of an event to be held at an adult-only facility is modified so the exception instead applies to an outdoor advertisement at the site of an event to be held in an area classified by the LCB as off-limits to persons under 21 years of age.
- The exception to advertising restrictions for outdoor advertisements for "merchandising" within a retail outlet is changed to instead exclude "placement of products" within a retail outlet from the restrictions.

A restriction is added that a cannabis licensee may not advertise, offer for sale, or sell cannabis at less than acquisition cost. However, this restriction does not apply to any sales made for a product designated for medical cannabis by qualifying patients.

It specified that adopt-a-highway signs erected by the Washington Department of Transportation (DOT) under a current valid sponsorship with the DOT are not considered advertising for purposes of restrictions on cannabis business advertising.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on March 19, 2025.

Effective Date: The bill takes effect on January 1, 2026.